

DRAFT 11/1/16 - SUBJECT TO CHANGE
For Review and Adoption by the Council at the November 17, 2016 Meeting

Thursday, October 27, 2016
DELTA STEWARDSHIP COUNCIL
Park Tower Plaza – 2nd Floor Conference Center
980 Ninth Street, Sacramento, CA 95814

MEETING SUMMARY

1. Welcome and Introductions

The meeting was called to order at 9:00 a.m. by Chair Randy Fiorini.

2. Roll Call – Establish a Quorum (Water Code §85210.5)

Roll call was taken and a quorum established at 9:05 a.m. The following members were present: Patrick Johnston, Ken Weinberg, Aja Brown, Susan Tatayon, and Randy Fiorini. The following member was absent: Mary Piepho. After roll call, the Council recessed at 9:07 a.m. for the Closed Executive Session. Council member Frank Damrell arrived after roll call.

3. Closed Executive Session – (Not open to the public.) (Action Item)

The Council may discuss litigation matters pursuant to Government Code §11126 (e)(2)(a), (e)(2)(B)(i), and/or (e)(2)(C)(i), including: (a) Delta Stewardship Council Cases, Coordinated Proceeding JCCP No. 4758, and (b) Bracewell Engineering Inc., et al., v. Delta Stewardship Council, et al., Sacramento County Superior Ct. No. 34-2015-80002178.

The Closed Executive Session convened at 9:05 a.m. and adjourned at 10:00 a.m., with Chair Randy Fiorini presiding.

4. Reconvene Open Session

Upon adjournment of the Closed Executive Session, the Delta Stewardship Council (Council) reconvened in Open Session at 10:15 a.m. Chair Fiorini announced that no action was taken during Closed Executive Session.

5. Adoption of the September 29-30, 2016, Meeting Summary (Action Item)

Chair Fiorini asked if there were any questions, suggestions, or comments from the Council or public regarding the Sept. 29-30, 2016, meeting summary; there were none.

Motion: (Offered by Tatayon, seconded by Weinberg) to approve the Sept. 29-30, 2016, meeting summary.

Vote: (6/0: Johnston, Damrell, Brown, Tatayon, Weinberg, Fiorini) and the motion was adopted.

The video showing this motion and vote can be found on the linked agenda <http://www.cal-span.org/cgi-bin/archive.php?owner=DSC&date=2016-10-27&player=jwplayer> at 05:22.

6. Chair's Report

Chair Fiorini discussed the schedule for the meeting. He noted that the Council was going to hear a lot about science today and that November is full of science-related activities: the Science Enterprise Workshop, Nov. 1-2; the fall Delta Plan Interagency Implementation Committee (DPIIC), on Nov. 14; and the Bay-Delta Science Conference, Nov. 15-17.

Chair Fiorini asked if there were any questions or comments from the Council members; there were none.

7. Executive Officer's Report

Executive Officer Jessica Pearson began her report by noting that early rain doesn't mean snow and snow doesn't necessarily mean a lot of runoff that is then translated into water supply over the rest of the year. Ms. Pearson said the Council would hear about the 2016 water year that just ended during agenda item 9, and noted that this was the eighth year of below-average runoff in California. Ms. Pearson said the agenda item was intended to focus on what that meant for water operations during the last year and the tradeoffs and challenges in balancing water supply for municipal and agricultural uses in the context of environmental protection.

During the drought Californians understood and responded by adopting efficient practices and eliminating waste, but the mandatory emergency reductions called for by the Governor and imposed by the State Water Resources Control Board (Water Board) were ended this spring when reservoir levels rose. The latest numbers from the Water Board, however, show that statewide conservation dropped below 20 percent for a third straight month of decline. The Water Board is working with partner agencies to develop permanent conservation measures that are intended to improve long-term drought preparedness. A report is being prepared that will detail a proposed permanent framework for urban conservation, new standards, and an implementation timeline. The report is due Jan. 10 and she said the Council will be updated on its progress.

Ms. Pearson also announced that San Joaquin County adopted an updated general plan that will guide development for decades and is consistent with the Delta Plan. Over the past three years, through comment letters and meetings with the County's planning staff, supervisors, and board members of the San Joaquin County Council of Governments, Council staff have helped to move the County incrementally toward a plan more consistent with the Delta Plan. Ms. Pearson noted important contributions from the Council's planning division, the participation of Council Member Johnston in key meetings, and the enforceability of the Council's regulatory policies about land use.

Ms. Pearson reported on a pending covered action consistency certification that was filed on Oct. 5, 2016, for the Southport Sacramento River Implementation Project. The project will contribute to achieving a 200-year level of flood protection for West Sacramento and will include a setback levee in an area where that will create seasonally inundated floodplain habitat along the Sacramento River to benefit salmon. Early consultation occurred through multiple meetings with Council staff beginning in 2014. Nov. 4 will end the 30-day appeal period.

Ms. Pearson announced that the Water Board released a working draft *Scientific Basis Report for Fisheries and Flows in the Sacramento River and Bay-Delta* as part of its update of the Bay-Delta Water Quality Plan. The working draft will be presented at public workshops and will also be reviewed by the Delta Independent Science Board (Delta ISB) before a final draft is developed. The final draft will be submitted for independent peer review. A public hearing is scheduled on Dec. 7, 2016 and public comments are due Dec. 16.

Ms. Pearson brought to the Council's attention five comment letters sent by staff. The first letter was sent to Rachel Ballanti of the California Water Commission on Oct. 3, regarding the Water Storage Investment Program's Draft Regulations and Guidelines; the letter is posted on the Council's website at http://deltacouncil.ca.gov/sites/default/files/2016/10/DSCcomments_CWC%20Prop1%20Regs.pdf. The second letter was sent to Rich Satkowski of the State Water Resources Control Board on Oct. 5, transmitting a Delta Science Program Independent Panel Review Report on the scientific strength of a technical report from the Department of Water Resources (DWR) on methods for determining Delta outflow; the letter is posted on the Council's website at <http://deltacouncil.ca.gov/sites/default/files/2016/10/Transmittal%20Letter-NDO%20IRP%20Report.pdf>. The third letter, sent to Shelly Amrhein of DWR on Oct. 5, regarding Notice of Preparation for the Lower Elkhorn Basin Levee Setback. The letter is posted on the Council's website at http://deltacouncil.ca.gov/sites/default/files/2016/10/DSCcomments_Elkhorn%20Basin%20Levee%20Setback_DWR_100616.pdf. The fourth letter was sent to Daniel Riordan of DWR on Oct. 6, regarding Prospect Island Tidal Habitat Restoration Project Draft Environmental Impact Report; the letter is posted on the Council's website at http://deltacouncil.ca.gov/sites/default/files/2016/10/DSCcomments_Prospect%20Island%20DEIR_10-06-16.pdf. The last letter is to Emily Pappalardo of DCC Engineering, regarding their input on the Delta Levees Investment Strategy (DLIS) project; the letter is posted on the Council's website at http://deltacouncil.ca.gov/sites/default/files/2016/10/DCC_Response_Ltr_101216.pdf.

Ms. Pearson announced Terri Gaines will be joining the Council in November as a Program Manager III in the Water Resource Management and Risk Reduction Office in the Planning Division. Ms. Pearson welcomed Ms. Gaines to the team.

7a. Legal Update

There was no Legal Update presented at this month's meeting.

7b. Quarterly Contract Update

Ms. Pearson noted the inclusion of the Quarterly Contract Update in the meeting materials. It is posted on the Council's website at <http://deltacouncil.ca.gov/docs/delta-stewardship-council-october-27-2016-meeting-agenda-item-7b-quarterly-contract-update-0>

Ms. Pearson concluded by previewing the day's agenda. Following the Executive Officer's Report, Chair Fiorini asked if there were any members of the public who wished to comment; there were none.

8. Lead Scientist's Report

Dr. Cliff Dahm presented the Lead Scientist's Report covering a number of collaborative and science communication activities. The staff report for Agenda Item 8 is posted on the Council's website at <http://deltacouncil.ca.gov/docs/delta-stewardship-council-october-27-2016-meeting-agenda-item-8-lead-scientists-report>.

Dr. Dahm began his report by previewing the 9th Biennial Bay-Delta Science Conference that will be held at the Sacramento Convention Center Nov. 15-17. The three-day conference will begin with opening plenary sessions and include special events such as a town hall meeting on Nov. 16; the Art of Delta Visualization exhibit; and panel discussions throughout. Information on the Bay-Delta Science Conference can be found at <http://scienceconf2016.deltacouncil.ca.gov/>. Attachment 1, the tip sheet for the Bay-Delta Science Conference is posted on the Council's website at <http://www.deltacouncil.ca.gov/docs/delta-stewardship-council-october-27-2016-agenda-item-8-attachment-1-bay-delta-science>.

Dr. Dahm provided a summary of a journal article, *Atmospheric River Landfall-Latitude Changes in Future Climate Simulations*. He also provided a summary of a paper included in the *State of the Bay-Delta Science, Climate Change and the Delta* and a Brown Bag Seminar, *Delta Nutrients: Sources, Sinks, Sags, Soups, and Sensors*.

Jessica Law, DPIIC coordinator, joined Dr. Dahm and made brief remarks on the upcoming Science Enterprise Workshop. The purpose of the workshop is to bring together people from six large-scale, complex ecosystem groups: Florida Everglades, Chesapeake Bay, Puget Sound, the Great Lakes, coastal Louisiana, and the California Bay-Delta. Ms. Law also provided a preview of the upcoming DPIIC meeting.

After Dr. Dahm concluded the Lead Scientist's Report, he invited Lauren Yamane to discuss the *By the Numbers* report. *By the Numbers* is posted on the Council's website at <http://www.deltacouncil.ca.gov/docs/delta-stewardship-council-october-27-2016-meeting-agenda-item-8-attachment-2-numbers-summary>.

In reference to the Brown Bag summary and the pending upgrade of the Sacramento Regional Wastewater Treatment Plant (a major source of ammonium in the Delta), Member Weinberg said he thought that nutrient removal by Sacramento Regional Sanitation District (Sac Regional) would have some effect on the environment and asked if funding was needed for adequate monitoring. Dr. Dahm clarified there is

monitoring in place including sensors that are currently deployed in the Delta. Dr. Dahm said there are also other interesting tools that have yet to be explored that might give a better picture of the primary producers of concern for good and bad algal blooms as well as the invasive plants. Member Weinberg asked Dr. Dahm if improvements would be expected once the Regional Sanitation District completes its upgrades. Dr. Dahm said, in his opinion, we would see some improvements in both the algal blooms and the invasive vegetation. Dr. Dahm explained a hypothesis called the ammonium paradox and said it will be tested when the switchover occurs at Sac Regional. Dr. Dahm said budgeting for these studies is high on his priority list and discussions have begun on funding.

Chair Fiorini asked if there were any questions or comments from the public; there were none.

9. 2016 Water Year in Review

Anthony Navasero, senior engineer, provided a brief summary of the agenda item on water operations for the 2016 Water Year. The briefing included discussions of impacts of the ongoing drought on the operation of the State Water Project (SWP); challenges and tradeoffs that had to be made to meet multiple water supply needs; the outlook for the 2017 Water Year; the 2016 drought contingency plan; and future drought planning efforts. The staff report is posted on the Council's website at <http://deltacouncil.ca.gov/docs/delta-stewardship-council-october-27-2016-meeting-agenda-item-9-2016-water-year-review>.

John Leahigh, chief of DWR's State Water Project Water Operations office joined Mr. Navasero and provided a PowerPoint that is posted on the Council's website at <http://deltacouncil.ca.gov/docs/delta-stewardship-council-october-27-2016-meeting-agenda-item-9-powerpoint-presentation-review>. After Mr. Leahigh's presentation, he responded to Council members' comments and provided clarification.

Vice Chair Tatayon asked if some entity was documenting the net effects of a 100,000–acre-foot release from Oroville for fish protection and monitoring the effects on water deliveries on the ecosystem. Mr. Leahigh responded that monitoring and evaluation was always beneficial and, in this particular case, the releases from Oroville were recovered within a couple of months through early conservation, water from a cold water pool in Shasta later in the summer and into the fall; and higher releases than what was typical for that time of year.

Member Johnston asked Mr. Leahigh when the evaluation and decision for 2017 would be made with regard to the possibility of changing or modifying the Water Board standards. Mr. Leahigh responded that there is a two-step approach starting at the beginning of the water year - first projecting through January to assess the amount of carryover storage and the forecast for runoff until January. The second step is to obtain information on the type of snow pack expected for the year going into 2017. Mr. Leahigh said that during the last couple of years it was a struggle to meet the salinity requirements and operations of the Delta cross channel gate. This year, the first assessment has been completed showing we are positioned significantly better without

expected problems in meeting the Bay-Delta standards, between now and January. The second assessment will be conducted through snow surveys in January and will give a hint of the probabilities as to what the coming year has to offer in terms of water supply.

Referring to page 11 of the PowerPoint, Member Johnston asked for clarification regarding the SWP supplies projected to meet 60 percent of demand this year versus 20 percent and 5 percent in previous years. Specifically, were the figures an average for municipal and industrial uses versus agricultural? Mr. Leahigh said that the figures represented did not differentiate between agricultural or urban uses, which has been the case since 1995.

Member Johnston asked for clarification as to when DWR would ask for a modification in Water Board standards for Bay-Delta salinity and what was the relationship between the request and the expectations for contracted water? Member Johnston said he was trying to connect the analysis with some of the public questions that have been asked such as did DWR and ultimately the Water Board modify standards in order to export more water south of the Delta? Mr. Leahigh said that that this was not the case. Member Johnston noted that the modifications and the planned management of water that required a relaxation of the standard early in the year was essentially done for environmental reasons not for export demands. Mr. Leahigh said it was definitely done for environmental reasons and also for health and safety of the water supply.

Member Weinberg noted that the discussion between Member Johnston and Mr. Leahigh highlighted how complex the operation of the system is and noted it is also clear how constrained it is. Member Weinberg asked if looking at combined storage levels in Oroville and San Luis Reservoirs provided a better projection?

Mr. Leahigh said when looking at Oroville and the SWP share in San Luis, the timing is very important, meshing deliveries with water supply availability. The range of probability reduces as we move into the spring but a substantial amount of uncertainty is always there, even in the summer. Member Weinberg said it seemed like the only flexibility is how to move from the carryover pool to the flood pool and questioned if that had changed the thinking on how you manage flood control. In terms of Oroville, Mr. Leahigh responded that the fall operations are typically not a concern in terms of flood control and only in a really wet year is flexibility needed on that aspect. Also, improvements in weather forecasting over the last 20 years have helped in the flexibility of operations.

Chair Fiorini asked if there were any members of the public who wished to comment on this item; there were none.

10. Overview of the Delta Protection Commission's Delta Flood Risk Management Assessment District Feasibility Study

Dan Ray, chief deputy executive officer presented Agenda Item 10. Mr. Ray provided brief introductory remarks and background information about funding for priority investments in Delta levee improvement and maintenance and the study the role of a study being conducted by the Delta Protection Commission (DPC). He then introduced

Jennifer Ruffolo of the DPC. The staff report is posted on the Council's website at <http://deltacouncil.ca.gov/docs/delta-stewardship-council-october-27-2016-meeting-agenda-item-10-overview-delta-protection>. The DPC's *Delta Flood Risk Management Assessment District Feasibility Study: Findings and Recommendations (Study)* (Attachment 1) is posted on the Council's website at <http://deltacouncil.ca.gov/docs/delta-stewardship-council-october-27-2016-meeting-agenda-item-10-attachment-1-delta-flood-risk>.

Ms. Ruffolo provided a PowerPoint on the *Study* that is posted on the Council's website at <http://deltacouncil.ca.gov/docs/delta-stewardship-council-october-27-2016-meeting-agenda-item-10-powerpoint-presentation-delta>. Following Ms. Ruffolo's presentation Council members asked questions and requested clarification.

Member Johnston said Ms. Ruffolo mentioned the fire protection fee that was levied by an act of the Legislature and asked if the report would speak to such a fee as one possible source of funding. Ms. Ruffolo said that the report would go into more detail using the fire protection fee as a model of what is needed in terms of legislation, declarations of intent, and substantiation of the relevance of the flood protection fees to the parcels.

Vice Chair Tatayon asked Ms. Ruffolo about questions and concerns over the characterization of existing cost allocation methods and asked for examples. Ms. Ruffolo responded that the cost allocation issues had to do with federal requirements for funding the investments in Delta levees and the benefit/cost test. An example of inconsistency is the U.S. Army Corps of Engineers cost/benefit protocol. Another example is the State's subventions program which has 75/25 percent split between the State and local shares respectively.

Chair Fiorini asked if the scope of the study included funding for both maintenance and improvements, or was it focused on funding for levee improvements. Ms. Ruffolo clarified that everything was lumped together and called levee work, recognizing there is a distinction between capital and ongoing maintenance as well as an additional need for funding for maintenance and capital improvements.

Chair Fiorini asked if the report would include some recommendations about potential funding sources. Ms. Ruffolo said the report will go into more detail on what the water use fee, water conveyance fee, or Delta flood prevention fee might look like in terms of what beneficiaries they would reach and what questions would need to be answered in designing the fees and figuring out how to calculate and allocate those costs to the different beneficiaries.

Member Weinberg commented that we should consider fee for service as well as the traditional assessment district approach in order to capture payment from all beneficiaries.

Chair Fiorini asked if there were any members of the public who wished to comment on this item; there were none.

11. Public Comment

Chair Fiorini asked if there were any members of the public who wished to make public comment; there were none.

12. Preparation for Next Council Meeting – Discuss (a) expected agenda items; (b) new work assignments for staff; (c) requests of other agencies; (d) other requests from Council members; and (e) confirm next meeting date – Nov. 17-18, 2016.

The meeting adjourned at 1:00 p.m.